

Federal Financial Institutions Examination Council



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Press Release

For Immediate Release

May 10, 2004

Comments Requested on Proposed Advisory on the Limitation of Liability Provisions in Audit Engagement Letters

The Federal Financial Institutions Examination Council (FFIEC)¹ today requested comments on proposed guidance on the unsafe and unsound use of limitation of liability provisions and certain alternative dispute resolution provisions in external audit engagement letters.

The proposed guidance advises financial institutions' boards of directors, audit committees, and management that they should ensure that they do not enter into any agreement that contains external auditor limitation of liability provisions with respect to financial statement audits.

Comments on the proposed guidance are requested by June 9, 2005. Specific information on how to file a comment is contained in the attached Federal Register notice.

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Attachments: Proposed Interagency Advisory

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¹ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision.